

June 27, 2012
Special Session

The Bellevue City Council met in Special Session on June 27, 2012 at 6:30 p.m. in the Council Chambers with Mayor Christopher J. Roling presiding. The Pledge of Allegiance was recited by all present. The roll call was as follows:

PRESENT: Councilmembers Allen Ernst, Darla Lawson, Tim Roth, Gary Feuerbach and Dan Blitgen. Also present were Alice Ohrtmann of IIW, Mark Schneider and Larry Nagle of ECIA, Daryl Parker, Frank Frieberg, Mary Nevans-Pederson, Sara Millhouse, Susan Jump, Jim Ballou, Howard & Audrey Miller, Rhonda Cunningham, Mary Micnerski, DJ & Tracy Weber, Susan Frick, Shirley Behrens, Deb Hutchcroft, Denny Weiss, David Derks, Bob Hughes, Kevin & Mary Ann Kutsch, Brad & Julie Koranda, Fred Fifield, Rich & Gloria Medinger, Norma Bickel, Betty Sieverding, Jackie Brown, Larry & Darla Hingtgen and City Administrator Loras Herrig

Absent: None

APPROVAL OF AGENDA

Mayor Roling reviewed the agenda and declared it approved with the following addition:

1. Sealcoat recommendations

DROESSLER SUBDIVISION STUDY

The purpose of the special session was to discuss the possible extension of City services to the Droessler subdivision and Spruce Creek County Park. Various speakers were asked to provide information on the situation. They were as follows:

Frank Frieberg – County Sanitarian

Frieberg explained there were three main issues to consider as far as septic systems and wells in the Droessler subdivision.

1. Separation of Services
2. Time and Transfer Rules for Septic Systems
3. Shallow Wells Versus Deep Wells

Frieberg explained that wells and septic systems are supposed to have a safe separation distance of 100 feet between the well and the septic. Many lots in the Droessler subdivision are smaller than that. Wells are able to be done under variances if the wells are closer than regulations allow. Septic systems are required to be at least ten feet from property lines and ten feet from any buildings. This is very important for public health. Many of the wells in the Droessler subdivision are sand point wells and some of them are as close as 20 feet to septic systems. If properties are sold septic systems are inspected. Many of the septic systems in the Droessler subdivision include old cheese vats and this type of construction would not legally

allow transfers in the future. The majority of the wells in the subdivision are approximately 90 to 125 feet deep. It is a generally accepted principal that deeper wells are safer for human consumption. The Savanna Army Depot that is just down the river from the City of Bellevue has 188 contaminated sites. The area that we are discussing has a large amount of fractured bed rock which allows groundwater contamination into the aquifer. Deeper wells normally have fewer nitrates and less bacteria problems. Water quality issues are the most important health issues facing the Droessler subdivision.

Mark Schneider and Larry Nagle - ECIA.

There generally are three sources of grants for this type of project, Community Development Block Grants, State Revolving Loan Fund Program and USDA. The most likely grant source would be Community Development Block Grant Funds which require an income survey and at least 51% have low to moderate income. We could possibly receive \$1000 per person in the annexed area which would limit the amount of the total grant. The State revolving loan fund currently carries an interest rate of 3.25% and is historically a loan only. It is possible that the City of Bellevue could qualify for a forgivable loan through this program. The United States Department of Agriculture Rural Development Program has potential grants. Based on median household income they feel the City would not qualify for this type of funding.

Alice Ohrtmann - IIW Engineers.

Alice prepared a study of the area to determine whether or not the City of Bellevue had the capacity in our infrastructure to annex this area and the cost. The City's Wastewater system could handle the increased volume and the City well system would have no difficulties. The cost of the project is estimated to be approximately \$2,307,120.00. This figure includes a contingency amount of \$184,760.00. This estimate includes extending water and sewer services into the entire Droessler subdivision and would have utilities stubbed out to every property in the area. The water and sewer system would also be available to Jackson County Spruce Creek Park who would have to connect at their own expense.

Administrator Loras Herrig

Research showed there are 77 parcels included in the potential annexation area with a valuation of approximately \$7,000,000.00. 33 of the 77 owners have mailing addresses outside of the Bellevue area. City services currently provided to this area are Bellevue Police through a 28E Agreement with Jackson County, Bellevue Fire Services which are taxed at a lower rate than the residents of the City of Bellevue. Ambulance Service is also provided to this area and is user supported. The occupants of this area are able to use the City Library, City Parks and City Pool at no additional charge. These services are all tax supported and paid for by the citizens of Bellevue. The potential changes for the area would be an increased tax rate. If annexed the tax rate would be approximately 36% higher. The electric rate would drop by approximately 9% going from a rural electric rate to a City electric rate. Herrig believed there would be no change in their fire insurance rates because they are already less than three miles away from the Fire Station. With a voluntary annexation the Council could possibly offer a tax abatement schedule to reduce the increases over a period of time. There is a possibility we could offer reduced or no connection fees to the City utilities. Herrig's analysis showed there would be sufficient tax

revenue and user revenue to pay for the improvements if and when the City decided to pursue this matter. The Council then discussed the merits of service extension and possible annexation. Councilmembers spoke that this matter would be discussed in depth and that there was no time period estimated at this time for a decision to be made. Herrig is to place the matter on the next regularly scheduled meeting agenda on July 11th.

SEALCOAT RECOMMENDATIONS

Herrig shared an itemization of cost for possible sealcoat repairs to be done this year. Street Superintendent Chuck Kueter asked the Council to review the figures. He will attend the next meeting on July 11th.

ADJOURNMENT

There being no further business to come before the Council it was moved by Feuerbach and seconded by Ernst to adjourn. Motion carried unanimously.

City Administrator

Mayor